

Deepak Moorjani

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"Kohlenberg, Kerstin" <Kerstin.Kohlenberg@zeit.de> 
To: DEEPAK
AW: Links to Articles

May 13, 2009 2:03 PM

Hi Deepak,

oh yes, I read them and after that went to your script-page and read everything that is there.

What you discovered at Deutsche Bank in regards to almost 100percent loans and the connection to bonuses is exactly what apparently happened at Hypo Real Estate (only that they offered 160 percent commercial real estate loans which in German is actually against the law. I am researching that story right now) so I am a little familiar with the topic. I just did a story about Merkel and her advisers and how badly their bank-overview functions. (<http://www.zeit.de/2009/15/DOS-Kanzleramt>)

I believe what you discovered in a heartbeat. I think your demands for better risk management and a different incentive structure need more audience - and connected with that very case that you are presenting, it would make a big, big story. I write 8000 word features (kind of like a New York times Magazine Story) and I would very much write about you and the case you are making. There are a lot of people out there that demand change, but there is you who can show how rotten the system still is, and how the managers say one thing to the media and something else to people like you.

The fact that your letter was ccd to Angela Merkel makes it even more interesting, because I could confront her with it, and ask about her real interests in changing the system (like she said on the G20 summit)

So any clue when you will be back in New York?

Kerstin

-----Ursprüngliche Nachricht-----
Von: DEEPAK MOORJANI
Gesendet: Mi 13.05.2009 18:50
An: Kohlenberg, Kerstin
Betreff: Links to Articles

Hi Kerstin,

Have you read these articles? If so, I'd welcome your thoughts.

A.

B.

Deepak

On May 14, 2009, at 12:57 AM, Kohlenberg wrote:

Deepak,

That's really unfortunate. When so you come back to the States?

Kerstin

Am 13.05.2009 17:51 Uhr schrieb "DEEPAK MOORJANI" unter

Hi Kerstin,

Unfortunately, I am stuck in Asia. Hearings are discontinuous, and I'm not sure when the next hearing will be. The April hearing was public, but most are closed hearings (including this Friday's hearing).

I'll recommend that we "meet" via videoconference. It's the next-best alternative and better than a phone call. Maybe even this weekend.

Thanks,
Deepak

On May 14, 2009, at 12:10 AM, Kohlenberg wrote:

Hi Deepak,

Thanks again. Just two quick questions in order to plan my trip next

Chairman

JUN MAKIHARA

Neoteny Co., Ltd.

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② Deepak Moorjani
02/08/2007 03:09 PM

To: Michael Cohrs/DMGIB/DMG UK/DeuBa@DBEMEA
cc:
Subject: Via Jun

Hi Michael,

Yes, I was. Bonus day turned into a bigger distraction than imagined. Apologies for the delay.

I've convinced the sponsor of a large JREIT to go private in an MBO transaction. It's fairly large transaction (\$1.7-1.8 billion), and if necessary, I would like to get your advice if we hit any major hiccups. Currently, we do not have any major issues, but I wanted to introduce myself well in advance in the event that I need some advice.

Thank you.

Deepak Moorjani
Deutsche Securities Inc.

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Michael Cohrs/DMGIB/DMG UK/DeuBa@DBEMEA

①

Michael Cohrs/DMGIB/DMG
UK/DeuBa@DBEMEA
02/05/2007 10:54 PM

To: Deepak Moorjani/db/dbcom@DBAPAC
cc:
Subject:

I think you were trying to reach me--how can I help?



satyagraha
June 15, 2008

PERSONAL AND CONFIDENTIAL

Mr. David Hatt
Deutsche Bank Group
Sanno Park Tower, 2-11-1 Nagatacho
Chiyoda-ku, Tokyo 100-6171

Dear Mr. Hatt,

I deliver this **就労請求** as my right and obligation to demand work under Japanese law.

This letter also represents my continuing attempt to improve the inadequate corporate governance structures and lax internal controls within Deutsche Bank. These issues have been publicly manifested by risk management failures in at least two respects: (i) credit risk failures and (ii) regulatory risk failures.

*(Note: "In Japan, you cannot actually be dismissed unless you agree that you are dismissed. If you are unfairly dismissed and want to legally challenge the dismissal, you must submit to your employer a refusal of the dismissal and demand to know why you are being dismissed in writing by the next day (e.g., send a fax or email the day you are illegally dismissed). Thereafter, continue to report to work asking for your job back. This is called *shuro seikyu* (reporting to work) and is a seriously respected aspect of Japanese culture.")*

Background

As you know, I have an investment management background with more than ten years of private equity experience in the US. In this role, I have been responsible for overseeing corporate governance issues for a number of portfolio companies, with a particular focus on aligning incentives between management teams and investors. I raised explicit concerns conveyed in an April 12, 2007 letter to Michael Cohrs which also stated, "I have witnessed violations of Japanese securities laws. These violations are numerous and willful, and these violations may have triggered criminal liability." In part, this conclusion was based on a presentation by our legal department entitled, "Financial Instruments & Exchange Law ("FIEL"), March 16, 2007 Version." In this document, we were advised that criminal penalties were possible based on violations including false statements in internal control reports and market price manipulation.

My letter to Michael Cohrs was intended to be *personal and confidential* based on our prior correspondence and our numerous mutual friends and former colleagues (John Sheldon, Steve Bannon, Scot Vorse, Matt Czajkowski and Jun Makihara). According to public reports, Mr. Hatt joined Deutsche Bank on May 7, 2007 as "Regional CEO and Chief Country Officer for Deutsche Bank Group in Japan, responsible for coordinating the Group's business activities." These reports indicate Mr. Hatt replaced John T. Macfarlane who resigned as President and CEO in December 2006.

You and your designees responded with an explicit retaliatory campaign based on allegations of non-performance; however, **there is no record of non-performance allegations prior to my letter to Michael Cohrs.** Despite my legal representation, you and your designees issued a termination notice on September 5, 2007 which has been rejected. Retaliation would be illegal under Japanese law, and any retaliation may demonstrate a knowing attempt to conceal violations of law.



FSA Situation

In April 2008, the Nikkei reported that “With the potentially far-reaching impact on the market, authorities are considering recommending administrative action against the brokerage [Deutsche Securities Inc.] under the Financial Instruments and Exchange Law.” Bloomberg reports that “The securities watchdog started an investigation of Deutsche on Oct. 29, and the probe is not yet complete, commission spokesman Mitsuru Yoshimura said by phone in Tokyo today, declining to give further details.”

In my My April 12, 2007 letter to Michael Cohrs, I offered advice to deal with the FSA violations, and I offer this same advice to you. I stated, “The violations that have been committed cannot be undone; however, DB should implement changes to remedy the situation . . . Given this, I would impose appropriate penalties for the violations that have occurred and begin an “open-door” policy with the FSA as a way to engender goodwill.”

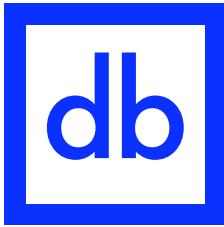
Please note that an administrative action or a business improvement order by the FSA will likely have an adverse impact on our fiscal 2008 financial results. For instance, the SESC situation may have been a factor in our non-participation in the recent 116.5 billion yen (\$1.1 billion) underwriting of mortgage-backed securities by Japan Housing Finance Agency.

Structure and Compensation

We need to raise the corporate governance dialogue in order to deal with the issues of structure and compensation. Our growing losses will likely raise the ire of my fellow shareholders; if we fail to act proactively, shareholders may seek to implement a stronger system of checks-and-balances. At UBS, activists are agitating for change, and “[T]hey [Arnold et al.] bring up a number of good points, especially pertaining to corporate governance. **You can make the argument that inbreeding and the lack of oversight and clear independence, may, in part, have led to the current crisis.**” At DB, we have announced more than \$7 billion of write-downs, and our financial performance continues to decline. Recent reports indicate we announced our first quarterly loss in five years, as “[R]evenue at the Deutsche’s investment banking unit tumbled to 880 million euros in the first quarter from 6.1 billion a year ago.” Additionally, Deutsche Bank has consummated and may still be pursuing sales of leveraged loans portfolios. The portfolio sales are reportedly made at face value; however, we have reportedly provided \$3 to \$4 - *at below-market rates* - for every \$1 credit in financing. The accounting rules allow us to make these loan sales without recognizing additional write-downs, but **these loan sales may only delay a write-down and do not remove the underlying credit risk.**

Private equity provides a broad solution to our moral hazard problem. Simply, **we should purchase the investment banking business in a management buyout.** This would solve the principal-agent problem, and shareholders who prefer stable earnings would no longer have exposure to the highly-variable earnings of the investment banking division. Of course, we should structure a transaction that provides an equity election option for existing shareholders.

In the interim, I believe that management should take responsibility for our credit risk failures and regulatory risk failures, as **executive compensation** is becoming an issue for shareholders. *I ask Michael Cohrs and David Hatt to demonstrate leadership by returning their fiscal 2007 and fiscal 2008 compensation to Deutsche Bank.* John Mack provides an example. In a statement made in December 2007, he said, “Ultimately, accountability for our results rests with me, and I believe in pay for performance, so I’ve told our compensation committee that I will not accept a bonus for 2007.” He later stated that “it sends the right message that I am responsible.” This contrasts



with a recent Financial Times article where "His comments came at the bank's annual meeting, where pay for top executives – including his own €14m (\$22m) compensation last year – is often criticised. "He wants to make it clear that we are looking at this seriously," said a Deutsche spokesman. It was also revealed that Deutsche paid €97.1m in 2007 to six members of its global executive committee, compared with €99.7m in 2006. The committee members include Deutsche's top investment bankers such as Anshu Jain, head of global markets, and Michael Cohrs, head of global banking."

Summary

I have not resigned despite your attempts to force my resignation, and I remain ready and available to return to work. As previously disclosed, I am an openly-declared union member who began a collective bargaining process in order to (i) reinstate my employment and (ii) discuss the inadequate governance structures and lax internal controls at Deutsche Bank. Neither David Hatt nor Michael Cohrs participated directly in the collective bargaining process. With the assistance of outside counsel, a complaint has been filed in Tokyo District Court for my **reinstatement**. I note that David Hatt did not appear for our first hearing on March 21, 2008 nor for our second hearing on May 20, 2008.

Please join me in this conversation. In addition to moral hazard, I have previously made various corporate governance suggestions relating to our (i) lack of transparency (ii) asymmetric incentives and (iii) insufficiently independent supervisory board. Please direct your written response to Yasushi Higashizawa of Kasumigaseki Sogo Law Offices at your earliest convenience.

Together, we can make a difference.

Sincerely,

Deepak Moorjani

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deutsche
bank

cc: Jamie Allen, Asian Corporate Governance Association
Mukesh Ambani, Reliance Industries
Richard Brodhead, Duke University
Michael Connors, Hermes Fund Managers Ltd.
Andrew Golden, Princeton University
Anshu Jain, Deutsche Bank AG
K.V. Kamath, ICICI Bank
Robert Monks, Lens Governance Advisors
Kunihiro Shimazaki, Barclays Capital Japan Ltd.
Ellen Shuman, Carnegie Corporation of New York
David Swensen, Yale University
John Varley, Barclays PLC
Ekkehard Wenger, University of Wuerzburg
Robert Willumstad, AIG



Richard H. Walker Elected to MBIA's Board of Directors

ARMONK, N.Y.--(BUSINESS WIRE)--Sept. 14, 2006--MBIA Inc. (NYSE: MBI) announced today that Richard H. Walker was elected to MBIA's Board of Directors. Mr. Walker is the general counsel of Deutsche Bank, where he oversees the Legal and Compliance departments worldwide.

Before joining Deutsche Bank in 2001, Mr. Walker was director of the Division of Enforcement for the Securities and Exchange Commission (SEC). Preceding his appointment to that position, he served as general counsel and northeast regional director since joining the SEC in 1991. Prior to the SEC, Mr. Walker spent 15 years in the New York office of Cadwalader, Wickersham & Taft, where he was a litigation partner specializing in corporate, securities and commercial litigation.

MBIA Board Member and Nominating/Corporate Governance Committee Chair Claire Gaudiani said, "Richard's impressive legal, compliance and financial expertise will add important depth to our Board. We are delighted to have him join us, and are confident that the experience he's gained throughout his remarkable career will provide an invaluable asset as we guide MBIA's continued growth in the global financial guarantee marketplace."

While at the SEC, Mr. Walker was awarded the Presidential Rank Distinguished Service Award in 1997--the highest federal award for government service. He also received the SEC's Distinguished Service Award, and the Chairman's Award for Excellence.

Mr. Walker is a member of the New York Stock Exchange Legal Advisory Committee, and is a trustee of the Securities and Exchange Commission Historical Society and the American Folk Art Museum. A Phi Beta Kappa graduate of Trinity College, Mr. Walker received his J.D. degree, cum laude, from Temple Law School.

MBIA Inc., through its subsidiaries, is a leading financial guarantor and provider of specialized financial services. MBIA's innovative and cost-effective products and services meet the credit enhancement, financial and investment needs of its public and private sector clients, domestically and internationally. MBIA Inc.'s principal operating subsidiary, MBIA Insurance Corporation, has a financial strength rating of Triple-A from Moody's Investors Service, Standard & Poor's Ratings Services, Fitch Ratings, and Rating and Investment Information, Inc. Please visit MBIA's Web site at www.mbia.com.

CONTACT: MBIA Inc.
Liz James, 914-765 3889

SOURCE: MBIA Inc.

Mark Grolman

Managing Director

General Counsel, Australasia & Japan

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Deutsche Bank



②
Daiki Kajino/db/dbcom
2007/05/09 19:19

To Tomohiko Kimura/Tokyo/DBJapan/DeuBa@DBAPAC
cc
bcc
Subject Fw: Staff - Privileged & Confidential

Kimura-san

As we discussed in this morning, I explained the current situation to Murakami-san in HR. After that, I arranged conference call with Sunil Madan and it is already fixed on tomorrow at 17:00 (Tokyo Time).

Murakami-san and I will have a conference call with him and ask him about our concerns. If you need to join it, please let me know.

As to investigation of Frank's e-mail for Pipeline issue, I will start it as soon as I obtain Mitch's approval.

Regards,

☆☆☆☆☆☆☆☆☆☆☆☆☆☆☆
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----- Forwarded by Daiki Kajino/db/dbcom on 2007/05/09 19:13 -----

①
Mark
Grolman/Sydney/DBAustralia
/DeuBa@DBAPAC
2007/05/09 19:09

To "Dick Walker" <richard.h.walker@db.com>,
janice.reznick@db.com, rachel.blanshard@db.com,
jiana.leung@db.com, "Kiyoshi Murakami"
<kiyoshi.murakami@db.com>, "Andrew Hume"
<andrew.hume@db.com>, "Daiki Kajino" <daiki.kajino@db.com>,
"Mr. Tomohiko (Tom) Kimura" <tomohiko.kimura@db.com>

cc

Subject Staff - Privileged & Confidential

PRIVILEGED & CONFIDENTIAL

Below are draft notes of the interview I had with Frank Forelle yesterday.

NEXT STEPS

I suggest for your consideration that the next steps should be:

(a) we interview Sunil Madan. Tom Kimura has agreed to do that by telephone as soon as possible this week;

(b) when Deepak Moorjani returns to Tokyo from the US next week, we press him again to produce all evidence he has of any alleged violations or wrongdoing. In the two weeks since he was interviewed he has not produced any evidence;

(c) agree a letter to Mr Moorjani in response to his letter. I suggest that this letter be signed by David Hatt as President and CEO of DSI (the employer of Mr Moorjani). David Hatt has been briefed on this matter. I will draft the response letter for your review. Once agreed, that letter should be delivered to Mr Moorjani.

I also propose giving the draft notes of meeting to Frank Forelle to check for accuracy.

Deutsche Bank

Richard H. Walker
General Counsel

Deutsche Bank AG
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New York, NY 10005
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January 29, 2008

Mr. Gary C. Dunton
Chief Executive Officer and President
MBIA Inc.
113 King Street
Armonk, NY 10504

Dear Gary:

I have concluded that I should resign from MBIA's Board. I do so with great regret and only after very careful consideration of the interests of both MBIA and Deutsche Bank.

When I joined MBIA's Board in 2006, existing business relationships between MBIA and Deutsche Bank provided no basis to believe that I would be unable to give both institutions my full attention and undivided loyalty. Given the events of the past week, however, I am now in a position where I can no longer be confident that continuing to act on behalf of both institutions will not lead to the possibility of an appearance that I may have reason to favor one over the other on a matter of great importance to both. In these circumstances, my ability to continue to act on behalf of either institution may be constrained. Given the importance of restoring credibility in the marketplace, I would not want my role to become a distraction to ongoing efforts to achieve this goal.

I am proud to have been associated with MBIA, and I would have liked to continue serving on MBIA's Board. I leave the Board with great affection for all my fellow directors and with appreciation for their wisdom and dedication. I would also be remiss if I did not applaud the exceptional MBIA staff. I am confident that this top-flight staff, with the Board's support, will guide MBIA to future successes.

Sincerely,

A handwritten signature in black ink, appearing to read "Richard H. Walker".

Richard H. Walker

cc: Members of the Board of Directors